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CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

HY:

DEPUTY

VIA FAX

JAMES L. JACOBS (petition submitted) (Bar # 158277)  
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Attorneys for Plaintiff AFS TECHNOLOGIES, INC.

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

AFS TECHNOLOGIES, INC. a Delaware  
corporation,

Plaintiff,

vs.

ANN S. PRICE, an individual,  
Defendant.

No.

'09 CV 1883 L WMC

COMPLAINT

JURY TRIAL DEMANDED

Plaintiff AFS TECHNOLOGIES, INC. ("AFS" or "Plaintiff"), for its claims against  
Defendant ANN S. PRICE ("PRICE" or "Defendant"), alleges as follows:

**THE PARTIES**

1. AFS is a Delaware corporation with its corporate headquarters and principal  
place of business located in the City of Phoenix, County of Maricopa, State of Arizona.

2. AFS is informed and believes, and thereon alleges, that PRICE resides in, and  
is a citizen of, the state of California.

**JURISDICTION AND VENUE**

3. This action arises under Section 10(b) of the Securities Exchange Act of 1934  
("Exchange Act"), 15 U.S.C. § 78j(b) and Rule 10b-5 promulgated thereunder, 17 C.F.R. §  
240.10b-5.

4. This Court has subject matter jurisdiction over this action pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. §1331.

5. In addition, this Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332 in that in the matter in controversy exceeds the sum or value of \$75,000, exclusive of interests and costs, and is between citizens of different states, and, pursuant to 28 U.S.C. § 1367(a), and the principles of supplemental jurisdiction.

6. Venue is proper in this District pursuant to Section 27 of the Exchange Act, 15 U.S.C. §78aa and 28 U.S.C. § 1391. Many of the acts complained of herein occurred in substantial part in this District.

7. In connection with the acts, transactions and conduct alleged herein, Defendant, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, interstate telephonic communications and the United States mail system.

## FACTUAL ALLEGATIONS

8. AFS is a leading provider of food and beverage enterprise software solutions.

9. Motek Information Systems, Inc. (“Motek”) is a provider of Priya, a warehouse management system used by food and beverage industry manufacturers and distribution companies. Motek also has non-food and non-beverage customers as well.

10. This dispute arises out of the transaction (“Transaction”) pursuant to which AFS purchased all of the outstanding shares of stock of Motek from PRICE, its sole shareholder and its then Chief Executive Officer.

11. The sale of PRICE's shares in Motek was effected through a Stock Purchase Agreement (the "Agreement") executed by the parties on August 29, 2008 (the "Closing Date").

12. According to the terms of the Agreement, in exchange for the 600 outstanding common shares of Motek held by Ms. Price, she was to receive up to \$3,400,000 (subject to certain adjustments set forth in the Agreement), with the ability to earn up to an additional \$1,600,000 upon the achievement of certain post-closing revenue targets (which ultimately

1 were not met).

2 13. Prior to the Closing Date, PRICE, and others under her direction and control,  
3 met with representatives of AFS to provide detailed information regarding Motek's business  
4 and prospects including, among other things, information relating to Motek's financial results  
5 and future financial prospects, its customers and the status of its customer relationships, the  
6 products and services it offered, the status of the technical development of its products, and  
7 other facets of its business.

8 14. Among the statements and representations of fact made by PRICE in the  
9 course of this due diligence process were the representations made in or about July 2008 to  
10 AFS representatives that Motek's Priya software version 2008 was both tested and rolled out  
11 to some customers and that its technical issues had been resolved. This was prompted by  
12 AFS' queries resulting from AFS' due diligence, which indicated that the 2008 version had  
13 problems. PRICE specifically denied that there were outstanding issues and asserted that  
14 customers were using the 2008 version, a statement which turned out to be false.

15 15. At the time that PRICE made these representations, Motek's Priya software  
16 version 2008 had been neither sufficiently tested nor rolled out to most customers and still  
17 had numerous technical issues associated with it.

18 16. AFS did not learn of the true facts concerning the status of Priya 2008 until  
19 after the Closing Date and ultimately had to incur significant expenses to correct the  
20 shortcomings in Priya 2008 to bring it to the status PRICE represented in had achieved prior  
21 to the Closing Date. AFS is informed and believes and on that basis alleges that the cost to  
22 complete this work to Priya 2008, following the closing of the Transaction, equals or exceeds,  
23 \$125,008.

24 17. In connection with the due diligence process, PRICE, directly or by others  
25 under her direction and control, also furnished detailed written information regarding Motek's  
26 business and prospects including, among other things, information relating to Motek's  
27 financial results and future financial prospects, its customers and the status of its customer  
28 relationships, the products and services it offered, the status of the technical development of

1 its products, and other facets of its business, and provided certain of Motek's books and  
2 records for AFS' review, including Motek's financial statements for the then current period  
3 and for prior periods.

4 18. In the Agreement, PRICE also made various representations and warranties to  
5 AFS including, but not limited to, representations and warranties concerning Motek's  
6 "Compliance with Laws," its "Liabilities," its "Financial Statements," its "Contracts," its  
7 "Receivables," and the "Accuracy of Information Furnished" to AFS.

8 19. The afore-mentioned information, representations and warranties were  
9 provided by PRICE to AFS to induce AFS to purchase her shares of Motek stock. AFS  
10 reasonably relied upon the information received from or at the direction of PRICE, and the  
11 representations and warranties made by PRICE, in deciding to enter into the Agreement and in  
12 determining the value of Motek's stock and the price it would pay for it.

13 20. Much of the information and many of the representations and warranties  
14 provided by PRICE to AFS prior to the consummation of the Transaction were false,  
15 inaccurate and/or misleading including, for example, the following:

- 16 a. Notwithstanding PRICE's representation and warranty regarding Motek's  
17 compliance with applicable laws, PRICE failed to disclose that Motek failed to  
18 carry workers' compensation insurance that it was legally required to maintain  
19 in the State of New York, and that Motek's failure would result in a judgment  
20 and liability against it from the New York Workers' Compensation Board.
- 21 b. Notwithstanding Price's disclosure of customer contracts and PRICE's  
22 representation and warranty regarding its contracts, PRICE failed to disclose  
23 and, instead, concealed that, with respect to various existing customers who  
24 had contracts (including Woot, SCS, Spire, and D&E), Motek had yet to  
25 complete work it agreed (and was obligated) to perform, and for which Motek  
26 had already recognized revenues. AFS is informed and believes and on that  
27 basis alleges that the cost to complete this work, following the closing of the  
28 Transaction, equals or exceeds, \$268,250.

- c. Notwithstanding PRICE's disclosure of Motek's agreement with Halls as a "Material Contract" and PRICE's representation and warranty regarding this contract, on information and belief, AFS alleges that PRICE knew (but failed to disclose) that Halls was extremely dissatisfied with Motek and that Halls had indicated to PRICE that it was terminating the agreement and had, effectively, constructively terminated its agreement with Motek.
  - d. Notwithstanding PRICE'S disclosure of Motek's agreement with Cemex as a "Material Contract" and PRICE's representation and warranty regarding this contract, on information and belief, AFS alleges that PRICE knew (but failed to disclose) that Cemex had not fully performed all of its covenants in its agreement with Motek and/or that the agreement, effectively, was no longer in force.
  - e. Notwithstanding PRICE's disclosure of Motek's financial information including its financial statements, and PRICE's representations and warranties regarding Motek's financial statements and receivables, the information provided was inaccurate and included, *inter alia*, an invalid accounts receivable to Associated Grocer (in the amount of \$21,730 for product the customer never ordered or received) and other false and misleading information.
  - f. PRICE failed to disclose accurately the liability associated with Motek's failure to pay withholding payments to the appropriate jurisdiction on behalf of its employee Dan Waters.
  - g. Notwithstanding PRICE's representation and warranty regarding the accuracy of Motek's books and records, the books and records of Motek did not fully, fairly or accurately reflect all of the information they purported to reflect.
21. Further, AFS is informed and believes and on that basis alleges that PRICE caused Motek to record the revenues from a real estate-related contract through Motek while, at the same time, it failed to disclose to AFS the true source for these revenues. Thus, PRICE

1 represented that the \$250,000 of revenues associated with this transaction were part of  
 2 Motek's software business when they were not. Not only did this breach, *inter alia*, PRICE's  
 3 representation and warranty in the Agreement that "The books and records of [Motek] fully  
 4 and fairly reflect in all material respects all of its transactions, properties, assets and  
 5 liabilities," it similarly materially affected the perception of the value of Motek (and its stock)  
 6 and overinflated the purchase price paid by AFS.

7 22. The overall picture of Motek painted by PRICE's misrepresentation and  
 8 omissions of material facts was that Motek was, *inter alia*, a healthy company, with a robust  
 9 version of its 2008 Priya software, with strong customer relationships, healthy financials and  
 10 promising prospects. Based upon this rosy but misleading picture, AFS conducted its  
 11 valuation of PRICE's stock and agreed to purchase her shares at an inflated purchase price.  
 12 Had the true facts concerning Motek been disclosed to AFS regarding, *inter alia*, the  
 13 problems with Motek's Priya 2008 software, the significant remaining (yet undisclosed and  
 14 costly obligations) Motek owed to its customers, the fact that certain material contracts to  
 15 Motek's business had either been terminated or the customer was not performing all of its  
 16 covenants, that certain of the books and records of Motek provided to AFS prior to the  
 17 Closing Date did not, in fact, fully, accurately or fairly reflect the information they purported  
 18 to reflect, AFS would never have paid the inflated price for PRICE's stock that it had paid and  
 19 would have only paid a far reduced price for the shares which more accurately reflected their  
 20 true value.

### 21 **FIRST CLAIM FOR RELIEF**

#### 22 **(Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated** 23 **Thereunder)**

24 23. AFS repeats and realleges each and every allegation contained above as if fully  
 25 set forth herein.

26 24. This Claim is asserted by AFS based on violation of Section 10(b) of the  
 27 Exchange Act and Rule 10b-5 promulgated thereunder.

28 25. PRICE made untrue statements of material fact and/or omitted to state material

1 facts necessary to make the statements not misleading as described herein by means or  
2 instrumentalities of interstate commerce.

3 26. PRICE made untrue statements of material fact and/or omitted to state material  
4 facts necessary to make the statements not misleading as described herein in connection with  
5 the sale of the stock of Motek to Plaintiff AFS.

6 27. PRICE sold the stock of Motek to Plaintiff AFS.

7 28. PRICE engaged in the fraudulent activity described above knowingly and  
8 intentionally or in such a reckless manner as to constitute willful deceit and fraud upon  
9 Plaintiff AFS. PRICE knowingly made the information, statements, representations and  
10 warranties (including the financial information of Motek provided to AFS) to contain  
11 misstatements and omissions of material fact as alleged herein.

12 29. PRICE acted with scienter in that, *inter alia*, PRICE knew or acted with  
13 recklessness with respect to the fact that the information, statements, representations and  
14 warranties made to AFS (including the financial information of Motek provided to AFS)  
15 were false and misleading.

16 30. As a result of PRICE's fraudulent activity, AFS purchased the stock of Motek  
17 from PRICE and paid a price for the stock of Motek that was artificially inflated. Further as a  
18 result of PRICE's fraudulent activity, AFS had to spend significant sums, totaling hundreds of  
19 thousands of dollars, to complete Priya 2008 and to fulfill the commitments and obligations  
20 Motek had made to its customers but which PRICE never disclosed to AFS.

21 31. In ignorance of the true state of Motek's business, including the status of its  
22 Priya 2008 software, its customer relations and contracts, and of the other facts and  
23 circumstances described herein, Plaintiff AFS relied upon the statements, information,  
24 representations and warranties provided by PRICE that contained false or misleading  
25 information and purchased the stock of Motek from PRICE at the artificially inflated price.

26 32. As a direct and proximate result of PRICE's wrongful conduct, Plaintiff AFS  
27 suffered damages in connection with its purchase of the stock of Motek.



**SECOND CLAIM FOR RELIEF****(Intentional Misrepresentation)**

33. AFS repeats and realleges each and every allegation contained above as if fully set forth herein.

34. As explained in detail above, PRICE made false representations, and failed to disclose to AFS facts which were material, when PRICE was attempting to sell her stock in Motek to AFS. PRICE made these statements intending that AFS rely on them.

35. PRICE knew that these representations were false at the time the representations were made, or PRICE recklessly disregarded the truth or falsity of the statements. PRICE further knew that she was making false representations or withholding material facts regarding, *inter alia*, the status of Priya 2008, Motek's compliance with applicable laws, its undisclosed obligations to its customers, the status of its relationship with Halls, the status of Cemex's performance, the accuracy of Motek's financial information including its receivable from Associated Grocer, the liability associated with Dan Waters, and the accuracy of Motek's books and records. PRICE made these representations, and withheld material facts, so that AFS would purchase her stock in Motek. AFS' purchase of stock in Motek would benefit PRICE directly, because AFS purchased PRICE's stock in Motek at an artificially inflated price.

36. AFS did not know the representations were false when they were made and justifiably and reasonably relied upon these representations by, among other things, paying the inflated price to PRICE to purchase her shares of stock.

37. AFS was not aware that PRICE's representations were false when they were made to AFS, and AFS was unaware that PRICE was withholding material facts. Had AFS been aware of the true facts, AFS would either have purchased the stock in Motek at a far lower price or AFS would not have purchased the stock in Motek at all.

38. As a direct and proximate result of PRICE's intentional misrepresentations, AFS has been damaged in an amount to be determined at trial, plus interest thereon.



39. In doing the above acts, PRICE acted with malice, fraud, oppression, or in conscious disregard of the rights of AFS, thereby entitling AFS to an award of exemplary and punitive damages.

### **THIRD CLAIM FOR RELIEF**

#### **(Negligent Misrepresentation)**

40. AFS repeats and realleges each and every allegation contained above as if fully set forth herein.

41. PRICE represented that she had knowledge of facts relating to Motek's business and operations about which she was informing AFS and the sale of securities in Motek to AFS. PRICE breached her duty of care by furnishing information to AFS concerning Motek which contained untrue statements of material facts and by omitting to state material facts necessary in order to make the statements and representations made to AFS not misleading.

42. PRICE failed to take reasonable care in determining the truthfulness of the representations she made to AFS regarding Motek. PRICE should have known, in the exercise of reasonable care, that the representations were false and would mislead AFS, inducing it to acquire all of Motek's shares of stock. PRICE made the statements intending that AFS would rely upon them. AFS did reasonably rely upon the representations and purchased PRICE's stock in Motek for the price AFS negotiated based upon the representations.

43. The statements and representations of PRICE, as hereinabove alleged, if not known by PRICE to be false at the time made, were negligently and recklessly made without investigation by PRICE as to the true facts, without any reasonable basis for PRICE to believe them to be true, and in a manner not warranted by the information then possessed by PRICE. At the time they made such statements and representations, PRICE, and each of them, should have known they were untrue.

44. As a direct and proximate result of its efforts to invest in Motek, AFS has

1 suffered damages in an amount to be determined at trial, together with interest thereon.

2 45. By reason of the foregoing negligent misrepresentations by PRICE and  
3 negligent omission of material facts, AFS is entitled to recover damages in an amount to be  
4 determined at trial, together with interest at the legal rate.

5 **FOURTH CLAIM FOR RELIEF**

6 **(Breach of Representations and Warranties in Contract)**

7 46. AFS repeats and realleges each and every allegation contained above as if fully  
8 set forth herein.

9 47. As previously alleged, the Agreement contains various representations and  
10 warranties of PRICE.

11 48. PRICE has breached representations and warranties in Article 3 of the  
12 Agreement by, among other things, Motek's failure to comply with applicable laws, PRICE's  
13 failure to disclose significant obligations Motek owed to certain of its customers, PRICE's  
14 failure to disclose Hall's dissatisfaction with Motek and its termination of its contract with  
15 Motek, PRICE'S failure to disclosure that Cemex had not fully performed all of its covenants  
16 in its agreement with Motek, PRICE's failure to disclose the inaccuracies in Motek's financial  
17 information including an invalid accounts receivable to Associated Grocer, PRICE's failure  
18 to disclose accurately the liability associated with Motek's failure to pay withholding  
19 payments to the appropriate jurisdiction on behalf of its employee Dan Waters, and by virtue  
20 of the fact that the books and records of Motek did not fully, fairly or accurately reflect all of  
21 the information they purported to reflect.

22 49. AFS has fully performed all of his obligations under the Agreement except to  
23 the extent that it has been prevented or excused from performing such obligations, as a result  
24 of the conduct of PRICE.

25 50. As a proximate result of PRICE'S breach as alleged herein, AFS has suffered  
26 damages in an amount that will be determined at trial, plus interest.

27 51. Pursuant to Section 6.1(a) of the Agreement, AFS further seeks the recovery of  
28 its reasonable attorney fees and expenses incurred in connection with this Claim.

**FIFTH CLAIM FOR RELIEF**

**(Breach Of Contract)**

52. AFS repeats and realleges each and every allegation contained above as if fully set forth herein.

53. As previously alleged, PRICE has breached her obligations under the Agreement. In addition, PRICE has further breached her obligations under Sections 4.8(a) and 4.8(b) of the Agreement by failing to duly prepare, or cause to be prepared, and file, or cause to be filed, on a timely basis, all tax returns for Motek for the period running from January 1, 2008 to the date of, or the date immediately before, the Closing Date of August 29, 2008, and by failing to cooperate with AFS' request that PRICE provide AFS with a copy of other relevant tax-related information, including a copy of the tax return PRICE filed for the year ending December 31, 2007.

54. AFS has fully performed all of its obligations under the Agreement except to the extent that it has been prevented or excused from performing such obligations, as a result of the conduct of PRICE.

55. As a proximate result of PRICE's breach as alleged herein, AFS has suffered damages in an amount that will be determined at trial, plus interest.

56. Pursuant to Section 6.1(a) of the Agreement, AFS further seeks the recovery of its reasonable attorney fees and expenses incurred in connection with this Claim.

**PRAYER FOR RELIEF**

WHEREFORE, AFS prays for judgment as follows:

A. That the Court award AFS monetary damages, arising from the acts of PRICE alleged herein, in an amount according to proof;

B. That the Court award AFS exemplary and punitive damages in an amount according to proof on its Second Claim For Relief;

C. For Pre-Judgment and Post-Judgment Interest;

D. For reasonable attorneys' fees and costs on its Fourth and Fifth Claims For Relief;

- 1 c) For costs of suit;  
2 d) For such other relief as the Court deems appropriate.  
3

4 Dated: August 28, 2009

GCA LAW PARTNERS LLP

5  
6 By:   
7 James L. Jacobs

8 Sallie Kim  
9 Kimberly A. Donovan  
10 1891 Landings Drive  
11 Mountain View, California 94043  
12 Telephone: 650-428-3900  
13 Facsimile: 650-428-3901

14 Attorneys for Plaintiff

15 AFS TECHNOLOGIES, INC.  
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**DEMAND FOR JURY TRIAL**

Plaintiff AFS TECHNOLOGIES, INC. hereby demands a trial by jury of all issues so triable.

Dated: August 28, 2009

GCA LAW PARTNERS LLP

By: 

James L. Jacobs

Sallie Kim  
Kimberly A. Donovan  
1891 Landings Drive  
Mountain View, California 94043  
Telephone: 650-428-3900  
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Attorneys for Plaintiff

AFS TECHNOLOGIES, INC.

ORIGINAL

JS 44 (Rev. 12/07)

## CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

## I. (a) PLAINTIFFS

AFS Technologies, Inc., a Delaware corporation

(b) County of Residence of First Listed Plaintiff Maricopa County, AZ  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

James L. Jacobs/GCA LAW PARTNERS LLP  
1891 Landings Drive, Mountain View, CA 94043 (650) 428-3900

## DEFENDANTS

Ann S. Price, an individual

09 AUG 28 PM 12:57

CLERK, U.S. DISTRICT COURT  
County of Residence of First Listed Defendant U.S. DISTRICT OF CALIFORNIA  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE  
LAND INVOLVED. BY: h6  
DEPUTY

Attorneys (If Known)

09 CV 1883 L WMC

## II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

## III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State ☐ 1 ☐ 1 Incorporated or Principal Place of Business in This State ☐ 4 ☐ 4
- Citizen of Another State ☐ 2 ☐ 2 Incorporated and Principal Place of Business in Another State ☐ 5 ☐ 5
- Citizen or Subject of a Foreign Country ☐ 3 ☐ 3 Foreign Nation ☐ 6 ☐ 6

## IV. NATURE OF SUIT (Place an "X" in One Box Only)

- | CONTRACT   | TORTS  | PROPERTY/PENALTY  | BANKRUPTCY  | OTHER STATUTES  |
|--|--|---|---|---|
| <input type="checkbox"/> 110 Insurance<br><input type="checkbox"/> 120 Marine<br><input type="checkbox"/> 130 Miller Act<br><input type="checkbox"/> 140 Negotiable Instrument<br><input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment<br><input type="checkbox"/> 151 Medicare Act<br><input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)<br><input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits<br><input type="checkbox"/> 160 Stockholders' Suits<br><input type="checkbox"/> 190 Other Contract<br><input type="checkbox"/> 195 Contract Product Liability<br><input type="checkbox"/> 196 Franchise | <b>PERSONAL INJURY</b><br><input type="checkbox"/> 310 Airplane<br><input type="checkbox"/> 315 Airplane Product Liability<br><input type="checkbox"/> 320 Assault, Libel & Slander<br><input type="checkbox"/> 330 Federal Employers' Liability<br><input type="checkbox"/> 340 Marine<br><input type="checkbox"/> 345 Marine Product Liability<br><input type="checkbox"/> 350 Motor Vehicle<br><input type="checkbox"/> 355 Motor Vehicle Product Liability<br><input type="checkbox"/> 360 Other Personal Injury<br><br><b>PERSONAL INJURY</b><br><input type="checkbox"/> 362 Personal Injury - Med. Malpractice<br><input type="checkbox"/> 365 Personal Injury - Product Liability<br><input type="checkbox"/> 368 Asbestos Personal Injury Product Liability<br><br><b>PERSONAL PROPERTY</b><br><input type="checkbox"/> 370 Other Fraud<br><input type="checkbox"/> 371 Truth in Lending<br><input type="checkbox"/> 380 Other Personal Property Damage<br><input type="checkbox"/> 385 Property Damage Product Liability | <input type="checkbox"/> 610 Agriculture<br><input type="checkbox"/> 620 Other Food & Drug<br><input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881<br><input type="checkbox"/> 630 Liquor Laws<br><input type="checkbox"/> 640 R.R. & Truck<br><input type="checkbox"/> 650 Airline Regs.<br><input type="checkbox"/> 660 Occupational Safety/Health<br><input type="checkbox"/> 690 Other<br><input type="checkbox"/> 710 Fair Labor Standards Act<br><input type="checkbox"/> 720 Labor/Mgmt. Relations & Disclosure Act<br><input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act<br><input type="checkbox"/> 740 Railway Labor Act<br><input type="checkbox"/> 790 Other Labor Litigation<br><input type="checkbox"/> 791 Empl. Ret. Inc. Security Act<br><br><b>IMMIGRATION</b><br><input type="checkbox"/> 462 Naturalization Application<br><input type="checkbox"/> 463 Habeas Corpus - Alien Detainee<br><input type="checkbox"/> 465 Other Immigration Actions | <input type="checkbox"/> 422 Appeal 28 USC 158<br><input type="checkbox"/> 423 Withdrawal 28 USC 157<br><br><b>PROPERLY RIGHTS</b><br><input type="checkbox"/> 820 Copyrights<br><input type="checkbox"/> 830 Patent<br><input type="checkbox"/> 840 Trademark<br><br><b>SOCIAL SECURITY</b><br><input type="checkbox"/> 861 HIA (1395ff)<br><input type="checkbox"/> 862 Black Lung (923)<br><input type="checkbox"/> 863 DIWC/DIWW (405(g))<br><input type="checkbox"/> 864 SSID Title XVI<br><input type="checkbox"/> 865 RSI (405(g))<br><br><b>FEDERAL TAX SUITS</b><br><input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)<br><input type="checkbox"/> 871 IRS—Third Party 26 USC 7609 | <input type="checkbox"/> 400 State Reapportionment<br><input type="checkbox"/> 410 Antitrust<br><input type="checkbox"/> 430 Banks and Banking<br><input type="checkbox"/> 450 Commerce<br><input type="checkbox"/> 460 Deportation<br><input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations<br><input type="checkbox"/> 480 Consumer Credit<br><input type="checkbox"/> 490 Cable/Sat TV<br><input type="checkbox"/> 810 Selective Service<br><input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange<br><input type="checkbox"/> 875 Customer Challenge 12 USC 3410<br><input type="checkbox"/> 890 Other Statutory Actions<br><input type="checkbox"/> 891 Agricultural Acts<br><input type="checkbox"/> 892 Economic Stabilization Act<br><input type="checkbox"/> 893 Environmental Matters<br><input type="checkbox"/> 894 Energy Allocation Act<br><input type="checkbox"/> 895 Freedom of Information Act<br><input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice<br><input type="checkbox"/> 950 Constitutionality of State Statutes |
| <b>REAL PROPERTY</b><br><input type="checkbox"/> 210 Land Condemnation<br><input type="checkbox"/> 220 Foreclosure<br><input type="checkbox"/> 230 Rent Lease & Ejectment<br><input type="checkbox"/> 240 Torts to Land<br><input type="checkbox"/> 245 Tort Product Liability<br><input type="checkbox"/> 290 All Other Real Property   | <b>CIVIL RIGHTS</b><br><input type="checkbox"/> 441 Voting<br><input type="checkbox"/> 442 Employment<br><input type="checkbox"/> 443 Housing/Accommodations<br><input type="checkbox"/> 444 Welfare<br><input type="checkbox"/> 445 Amer. w/Disabilities - Employment<br><input type="checkbox"/> 446 Amer. w/Disabilities - Other<br><input type="checkbox"/> 440 Other Civil Rights   | <b>PRISONER PETITIONS</b><br><input type="checkbox"/> 510 Motions to Vacate Sentence<br><b>Habeas Corpus:</b><br><input type="checkbox"/> 530 General<br><input type="checkbox"/> 535 Death Penalty<br><input type="checkbox"/> 540 Mandamus & Other<br><input type="checkbox"/> 550 Civil Rights<br><input type="checkbox"/> 555 Prison Condition  |   |   |

## V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

## VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing. (Do not cite jurisdictional statutes unless diversity):  
15 U.S.C. section 78j and 15 U.S.C. section 1332

Brief description of cause:  
Breach of securities laws/contract in stock sale

## VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

\$1,000,000

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

## VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

8/28/09

SIGNATURE OF ATTORNEY OF RECORD

James L. Jacobs

FOR OFFICE USE ONLY

RECEIPT #

4654

AMOUNT

350

APPLYING IFP

JUDGE

MAG. JUDGE

8/28/09

OK

Court Name: USDC California Southern  
Division: 3  
Receipt Number: CAS004654  
Cashier ID: sramirez  
Transaction Date: 08/28/2009  
Payer Name: ACE MESSENGER ATTY SVCS

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CIVIL FILING FEE  
For: AFS TECH. V. PRICE  
Case/Party: D-CAS-3-09-CV-001883-001  
Amount: \$350.00  
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CHECK  
Check/Money Order Num: 40522  
Amt Tendered: \$350.00  
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Total Due: \$350.00  
Total Tendered: \$350.00  
Change Amt: \$0.00

There will be a fee of \$45.00  
charged for any returned check.